

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE		PAGE OF PAGES 1 6									
2. AMENDMENT/MODIFICATION NO. 0004		3. EFFECTIVE DATE 11/22/00		4. REQUISITION/PURCHASE REQ. NO.									
5. PROJECT NO. (If applicable)		6. ISSUED BY CODE MDA220											
7. ADMINISTERED BY (If other than Item 6) CODE		SAME AS BLK #6											
DEFENSE FINANCE AND ACCOUNTING SERVICE ACQUISITION SUPPORT ORGANIZATION-DFAS-ASO/DPA 1931 JEFFERSON DAVIS HIGHWAY ARLINGTON, VA 22240-5291 ATTN: JOHN A. ZIU (703) 607-5734 FAX (703) 602-5642													
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and ZIP Code)		(✓) X		9A. AMENDMENT OF SOLICITATION NO. MDA220-00-R-6001									
				9B. DATED (SEE ITEM 11) 9/11/00									
				10A. MODIFICATION OF CONTRACT/ORDER NO.									
				10B. DATED (SEE ITEM 13)									
CODE		FACILITY CODE											
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS													
<p><input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <u> </u> is extended, <u>XX</u> is not extended.</p> <p>Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:</p> <p>(a) By completing Items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; of (c) By separate letter of telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>													
12. ACCOUNTING AND APPROPRIATION DATA (If required)													
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center; vertical-align: top;">(✓)</td> <td style="vertical-align: top;">A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.</td> </tr> <tr> <td style="vertical-align: top;"></td> <td style="vertical-align: top;">B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)</td> </tr> <tr> <td style="vertical-align: top;"></td> <td style="vertical-align: top;">C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:</td> </tr> <tr> <td style="vertical-align: top;"></td> <td style="vertical-align: top;">D. OTHER (Specify type of modification and authority)</td> </tr> </table>						(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.		B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b)		C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:		D. OTHER (Specify type of modification and authority)
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	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:												
	D. OTHER (Specify type of modification and authority)												
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return <u> </u> copies to the issuing office.													
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)													
<p>THE PURPOSE OF THIS AMENDMENT IS TO INCORPORATE CHANGES INTO SECTIONS C AND J, AND TO ANSWER OFFEROR QUESTIONS.</p>													
<p>Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.</p>													
15A. NAME AND TITLE OF SIGNER (Type of print)			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or Print)										
			JOHN A. ZIU										
15B. CONTRACT/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA									
(Signature of person authorized to sign)				(Signature of Contracting Officer)									
				16C. DATE SIGNED									

1. Section C, Page C-8, paragraph 3.4 Process Reports and Notifications, the first sentence is hereby deleted and restated as follows: "The contractor is required to respond to ad hoc requests for information, prepare and submit ad hoc reports, perform audits, and process FOIA requests which are routine in support of the requirements stated in Section C-3, Provide Payroll Business Operations Services.
2. The following workload line item is hereby incorporated into Section J, J6-Workload, Page 3, under 3.4 Process Reports and Notifications:

Quality Assurance and Audit Support Actions	Annuity Pay 48	Retired Pay 878
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3. Section J, J4-GFProperty and Services, Page 5, the quantity of square feet under Office space at Celebreze (Cleveland, OH) is hereby deleted and restated as 51,123.
4. Questions and Answers:
 - (a) **Question:** Past Performance Questionnaire. In the last sentence of the Part One, Instructions, for this questionnaire, should we replace the name and number listed with Mr. Ziu or Ms. Arias? **Answer:** Mr. Ziu.
 - (b) **Question:** J-6, Historical Workload Information. Item 5.6.1 portrays scanning and indexing as a subset of outgoing mail. This vendor assumes that these figures are all scanning and indexing. What portion of this scanning and indexing is of outgoing mail or archive entries only? **Answer:** Actually, scanning and indexing is part of the incoming mail cycle. Amendment 0002 reflects that correction. Approximately 87% of all incoming mail are immediately scanned. Non-scanned mail includes items such as, returned checks, re-routed or mis-routed mail, or urgent items. Outgoing mail is not scanned.
 - (c) **Question:** What are the requirements to access the offsite archives and at what frequency do Cleveland and Denver access their offsite archives, respectively? What is the reservation and retention schedule for the records in this offsite archive? **Answer:** Retired pay hard copy case jackets are stored offsite, at the Bingham Building (two blocks away). Currently, 982,000 case jackets are stored there. Each month, approximately 2,000 are pulled for death processing or to research transactions. After pulling, information is stored electronically (imaged) and no longer offsite. Annuity pay does not have case jackets. The COOP offsite archives are accessed in the event of an emergency, long term system failure, or during routine testing to ensure that contingency plans work as expected. DFAS currently does a biannual test of the offsite archives. Tapes & cartridges are retained until the next month's tapes are received. Retirees and annuitants active account information, whether hardcopies, images or microfiche; are retained for 50-60 years. Approximately 18 months after death processing is completed and the

account is closed, account records are purged from the Defense Retiree and Annuity (DRAS) pay system, then sent to the Federal Records Center for 6 years.

- (d) **Question:** Amend. #2, Part I, Question 10. Will the MEO be receiving as a source document related to staffing the same access provided to industry? It was indicated that a 1999 audit approved document would be provided to industry for baseline staffing. **Answer:** Yes, staffing levels are included herein. Follow-up question: When will amendment #3 be issued? **Answer:** Amendment 0003 revises the proposal due date. Proposals are now due January 9, 2001.
- (e) **Question:** Amend. #2, Part III, Question 25. Would the Government please provide a listing of the current batch job and their schedules? **Answer:** We are currently posting batch/job/schedule information to the DFAS Contracting Opportunities website.
- (f) **Question:** Amend #2, Part I, Question 39. The Government requires seven copies of the Executive Summary, yet paragraph (5) found on page L-4 of Section L.5 does not list the Executive Summary as a separate volume or section within any volume or provide any instruction for one. Is the Government requiring an Executive Summary and, if so, are there any specific guidelines that should be followed? **Answer:** Yes, please present an Executive Summary, not to exceed five pages, as a separate volume (not considered part of the technical proposal). Follow-up Question: Does this new instruction mean that the Executive Summary does not count against the basic page limitations otherwise listed in the RFP? **Answer:** Yes, you are correct.
- (g) **Question:** DRAFT RFP, Question 14. Section C-3.5.1.6, page 7. How many agents (or authorized positions) are currently doing this work by location? What is the turnover rate? What is the current training cycle? **Answer:** Approximately 156 authorized contact representatives support the customer contact center. The annualized turnover rate for customer contact representatives is 19 to 21percent. Training is provided to new representatives for approximately 30 days, then training is on an as needed basis.
- (h) **Question:** DRAFT RFP, Question 17. Section C-3.6.1, page 8. What is the current technical staff count by category? **Answer:** See response in this amendment under Authorized Staffing.
- (i) **Question:** DRAFT RFP, Question 21. Section C-6.10, page 14. What is the current technical staff count by category providing WEB page support if not included in response to C-3.6.1? **Answer:** There is not a full time position providing DFAS WEB page input.
- (j) **Question:** DRAFT RFP, Question 69. How much is DFAS spending to perform the current DRAS activities (Business Operations and Information Processing Center)? Please state the response by standard-budget- object-code categories for the most

recent three fiscal years. Include all reimbursable costs and intra/inter-agency infrastructure costs as well. **Answer:** The DFAS 3-year budget for the retired and annuity pay activity is outlined in this amendment, in the "Budget" section. The Information Processing Center (DISA) cost matrix is available in Amendment 0001.

- (k) **Question:** DRAFT RFP, Question 89. Will DFAS complete the existing workload backlog at time of award or transfer the workload to a successor contractor?
Answer: Every effort will be made to complete existing workload backlog. Production work should be completed before the transfer, i.e. incoming mail, documents to be scanned. Details should be outlined in the workload transition plan after award and at time of transfer.
- (l) **Question:** DRAFT RFP, Question 90. To ensure the highest quality of competent professional experience, it is absolutely critical that DFAS limit job migration in this business operation to insure that the retained staff is available for job transfer offers from a contractor. This action would be consistent with the idea of "quality personnel" expressed in the June 14, 2000 memo. **Answer:** DFAS is required to conform to Office of Personnel Management (OPM) staffing rules and regulations.
- (m) **Question:** DRAFT RFP, Question 96. If (security) clearances are required what is the level and for which skill categories? **Answer:** All positions under this PWS are classified as Non-Sensitive in accordance with DoD 5200.2-R. The contractor shall ensure that all key personnel have a current National Agency Check with credit check as required by DoD 5200.2-R, Personnel Security Program. DoD Security clearances are not required, however, the contractor shall ensure that all personnel have background checks.
- (n) **Question:** DRAFT RFP, Question 100. What is the size and skill make up of current production staff? **Answer:** The size and make-up of the staff is outlined in this amendment under Authorized Staffing. Current production staff skills include: effective communications; reading, writing, and understanding English; understanding retired and annuity pay; and efficient utilization of office automation tools.
- (o) **Question:** Amend #1, Question 12. Is the current COOP available for review?
Answer: The COOP test was offered as an example of the standard DFAS contingency strategy. It is representative of the Defense Retiree and Annuity Pay system and all other DFAS pay system COOPs. Please note that the COOP plan is a critical evaluation feature of this proposal. Of interest is the current strategy that industry has in place for contingency operation and how that strategy is consistent with the requirements of DFAS 8000.1-R and DFAS Management Plan 3020-26R.
- (p) **Question:** Amend #1, Question 9. Are the baseline staffing figures authorized or on-board strength? Staffing figures have not been provided. **Answer:** (i) Authorized staffing figures as of September 30, 2000, and (ii) budget information are reflected below:

(i) Authorized Staffing:

The staffing levels as of September 30, 2000 are reflected in the chart below. In it are numbers, grades, and series of DFAS Cleveland and Denver personnel. A total of 570 authorizations are identified as the military retired and annuity pay support staff. Note: "Direct Disbursing" and "Contractor Support" were removed to reflect the current A-76 scope as compared to the initial baseline reported in 1998.

Military Retired and Annuity Pay Staff**As of SEPTEMBER 30, 2000***

Series	Position Title	Grades and Authorizations			TOTAL Authorized
		GS 13-15	GS 07-12	GS 03-6	
300	General Clerical Series to include: Information Receptionist, Mail and File Clerk, Secretary, Office Automation Clerical & Assistance Series	0	3	54	57
500	Finance, Accounting and Budget Series to include: Administration, Financial Managers, Accounting Technician, Military Pay Clerks, Requirements Developers and System Testers	13	155	174	342
900	Legal and Kindred Series to include: Contact Representatives	0	23	133	156
334	Systems Maintenance	2	13	0	15
TOTALS		15	194	361	570

*Data Source – Resource Analysis Decision Support System (RADSS) Manning Document Report dated September 30, 2000.

(ii) Budget:

The retired and annuity pay budget data is outlined below. This data is taken from the Fiscal Year 2001, President's Budget (dated February 2000). Reflected below are workload units and costs of maintaining the military retired & annuity pay accounts. A workload increase is projected due to the force drawdown.

Workload by Output Category (Units in Millions)

FY 1999	FY 2000	FY 2001
27.1	27.4	27.8

Costs by Output Category (Dollars in Millions)

FY 1999	FY 2000	FY 2001
59.1	60.5	57.6

5. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.